

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CEA-01 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04 TRSE-00

LAB-04 SIL-01 SAM-01 OMB-01 /050 W

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R 181705Z APR 75

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 3693

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY VIENNA

USMISSION EC BRUSSELS

C O N F I D E N T I A L BRUSSELS 03487

E.O. 11652: GDS

TAGS: EFIN, BE, SZ

SUBJECT: BELGIAN OBJECTIONS TO SWISS ENTRY INTO THE SNAKE

REF: EC BRUSSELS 3234

1. ON APRIL 18, A SENIOR AND RELIABLE BELGIAN FINANCE MINISTRY OFFICIAL OUTLINED FOR EMBASSY BELGIUM'S REASONS FOR BEING "VERY RELUCTANT" TO ADMIT SWISS FRANC (SF) TO THE SNAKE AT PRESENT.

2. ON ONE LEVEL, BELGIUM HAS THREE OBJECTIONS: (A) THE LIKELIHOOD THAT THE SWISS FRANC WOULD CAUSE INSTABILITY IN THE SNAKE BECAUSE THE SF IS A SERIOUSLY FLUCTUATING REFUTEE CURRENCY; (B) THE LIKELIHOOD THAT THE SF WOULD PULL THE ENTIRE SNAKE UPWARD VIS A VIS THE DOLLAR BECAUSE BELGIUM BELIEVES THE SF HAS NOT YET REACHED ITS HIGHEST LEVEL

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AND; (C) THE ENTRY OF THE SF OVER FRENCH

OBJECTIONS MIGHT PREVENT A FRENCH RETURN TO THE SNAKE  
AT ANY TIME IN THE NEAR FUTURE.

3. ON ANOTHER LEVEL, BELGIAN DOMESTIC INTERESTS  
ARE OPPOSED TO THE SF'S ENTRY. THE MANUFACTURERS  
ASSOCIATION HAS PUBLICLY OPPOSED THE MOVE AND THE LABOR  
UNIONS HAVE QUIETLY TOLD THE GOVERNMENT THAT THEY  
TOO OPPOSE SWISS ENTRY. BOTH MANAGEMENT AND LABOR  
FEEL THE SF'S ENTRY WOULD RAISE THE LEVEL OF THE  
WHOLE SNAKE AND THUS HURT BELGIAN EXPORTS VIS A VIS  
NON-SNAKE COMPETITORS.

4. BELGIUM IS WILLING, ACCORDING TO OUR SOURCE,  
TO RECONSIDER ITS POSITION IN A FEW MONTHS  
PROVIDED THE FRENCH COME BACK INTO THE SNAKE AT THE  
SAME TIME. FIRESTONE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FINANCIAL PROGRAMS, FRANC, MEMBER ADMISSIONS, FOREIGN EXCHANGE RATES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 18 APR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
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**Film Number:** D750137-0693  
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